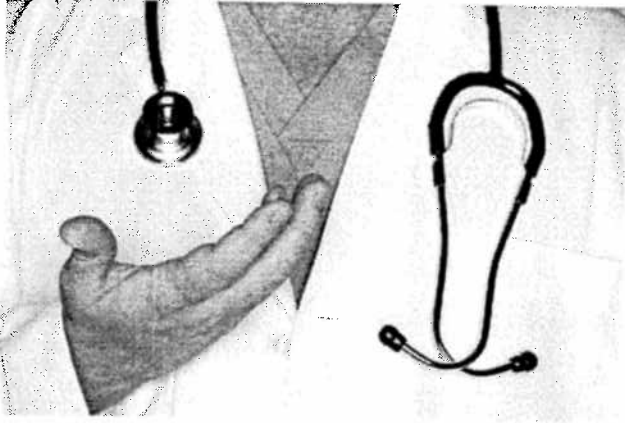


Basic Health Program: An Affordable Bridge Between Medicaid and Private Insurance for Low-Income Working New Mexicans



WHY DOES NEW MEXICO NEED A BHP?

A BHP will use **federal dollars** to make healthcare coverage **more affordable** for low-income working New Mexicans, **while saving money for the state.**

WHAT IS A BASIC HEALTH PROGRAM?

A Basic Health Program (BHP) provides private health insurance options for low-income working New Mexicans below 200% of the poverty level (annual income of less than about \$37,000 for a family of 3). It is a bridge between Medicaid and the private market that offers a selection of health plans at prices families can afford.

HOW IS A BHP FUNDED?

BHP coverage is fully federally funded. The state receives federal dollars that otherwise would have been given to individuals to help them purchase insurance coverage through an Exchange. There are no state costs – in fact, a BHP saves the state money.

What are the Benefits of a BHP?

- New Mexico can create an **affordable** benefits package – Urban Institute projects annual costs of \$200 per person for BHP coverage compared to \$1500 for Exchange coverage.
- Because BHP coverage will be more affordable than Exchange coverage, an estimated **7,400 more New Mexicans** will obtain health coverage if BHP is an option.
- A BHP promotes **continuity of care** because its plans can be designed to interface better with Medicaid, allowing children and their parents to use the same provider networks even when household income fluctuates.
- The state is projected to save **\$2.7 million per year** by transitioning adults currently covered by State Coverage Insurance (SCI) onto the BHP.
- If they purchase coverage through the Exchange, Native Americans are required to pay a portion of their premiums out-of-pocket. A BHP can be structured so that **Native Americans have no out-of-pocket costs.**
- Although a BHP would shrink the Exchange pool, **federal rules about rate-setting and statutory caps on premium and out of pocket costs** help protect Exchange consumers.